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United States Senate

COMMITTEE ON BANKING, HOUSING, AND
URBAN AFFAIRS

WASHINGTON, DC 20510-6075

March 28, 2020

GREGG RICHARD, STAFF DIRECTOR
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The Honorable Steven T. Mnuchin
Secretary
Department of the Treasury
1500 Pennsylvania Avenue NW
Washington, DC 20220

The Honorable Jerome H. Powell
Chairman
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue NW
Washington, DC 20551

Dear Secretary Mnuchin and Chairman Powell:

The Coronavirus Aid, Relief, and Economic Security (CARES) Act of 2020 allows the Treasury Department and the Federal Reserve to work with our financial system to get liquidity to eligible businesses, States, and municipalities affected by COVID-19 that need support during this crisis in order to stabilize the marketplace. Providing the greatest amount of publicly available information about how to access resources, who is eligible, where additional information can be obtained, and clarifying qualification of industries with specific characteristics that could otherwise unintentionally impede access is crucial. I urge the Treasury Department and Federal Reserve to work quickly to issue guidance to the marketplace to ensure that businesses, including small and medium-sized businesses, States, and municipalities understand what programs and facilities are available, the terms and conditions of those programs and facilities, and a point of contact or inquiry portal for them to discuss access and applicable conditions for those programs and facilities.

Areas that the Treasury Department and the Federal Reserve need to address quickly include:

- (1) Issuing widely-available guidance and FAQs to the marketplace about how the 13(3) facilities will work; terms and conditions for eligible issuers, assets, and collateral; and a point of contact or inquiry portal.

- (2) Issuing widely-available guidance and FAQs to the marketplace about how the direct loans will work; terms and conditions for eligible issuers, assets, and collateral; guidance on waivers; and a point of contact or inquiry portal.
- (3) Prioritizing 13(3) facilities that stabilize markets that FSOC has highlighted, such as mortgage servicing, providing clear rules of the road on waivers and eligibility, and quickly determining how existing 13(3) facilities will be expanded or modified.

Providing the clarity outlined above, as well as any other necessary publicly-available information, and the Secretary exercising his waiver authority where needed, is imperative to ensuring the support provided to the Federal Reserve's 13(3) emergency lending programs and facilities is as effective as intended by Congress.

Sincerely,



Mike Crapo
Chairman